

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 02693 01 OF 02 201658Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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COME-00 EB-07 LAB-04 SIL-01 AID-05 SAB-01 /075 W

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R 192035Z APR 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 7439

INFO PANCANAL

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C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 2693/1

E.O. 11652: GDS

TAGS: ELBA, PN

SUBJECT: POSSIBLE EFFORT TO ESTABLISH SINGLE LABOR CENTRAL

REFS: A. 75 PANAMA 7695

B. 75 PANAMA 7292

SUMMARY: ISSUE OF FORMING A SINGLE LABOR CENTRAL AS ARISEN AGAIN, WITH MUCH CLEARER INDICATION THAT SOME GOP OFFICIALS ARE FAVORING AND PUSHING FOR ITS CREATION TO REPLACE EXISTING NATIONAL CONFEDERATIONS. FREE LABOR ORGANIZATIONS ARE AGAIN CLEARLY CONCERNED AT THIS PROSPECT. EMBASSY OFFICERS HAVE ALSO BEEN DISCREETLY TRYING TO POINT OUT TO GOP OFFICIALS POSSIBLE ADVERSE CONSEQUENCES A SINGLE LABOR CENTRAL MIGHT HAVE ON US LABOR ATTITUDE TOWARD GOP. END SUMMARY.

1. FOR SOME TWO MONTHS AFTER FLURRY OF SPECULATION LAST DECEMBER (REF A), LABOR MINISTER AHUMADA AND OTHER CONCERNED GOVERNMENT AND LABOR OFFICIALS WERE SILENT ABOUT FORMATION OF A "CENTRAL UNICA DE TRABAJADORES PANAMENOS" (SINGLE PANAMANIAN WORKERS' CENTRAL, CUTP) AS A SINGLE NATIONAL LABOR CONFEDERATION WHICH WOULD REPLACE THE EXISTING COMPETITIVE FREE-LABOR (CTRP), COMMUNIST (CNTP) AND CHRISTIAN DEMOCRAT (CIT) CONFEDERATIONS AND INCLUDE INDEPENDENT

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PAGE 02 PANAMA 02693 01 OF 02 201658Z

UNION SECTOR AS WELL. HOWEVER, DURING MARCH 1976, LOCAL PRESS

BEGAN TO CARRY COMMUNIQUEES AND STATEMENTS FROM SOME UNIONS CALLING AGAIN FOR A CUTP, AND FIRST PUBLIC REFERENCE WAS MADE TO A "COMMITTEE OF STRUGGLE FOR UNITY OF THE WORKING CLASS" BASED IN COLON, WHICH ALLEGES IT FORMED LAST YEAR. THIS COMMITTEE INCLUDES BOTH LOCAL UNIONS AFFILIATED WITH CNTP AND A FEW AFFILIATES OF CTRP LATTER PARTICIPATING WITHOUT SANCTION OF THEIR CONFEDERATION.

2. ON APRIL 2, A GROUP OF UNIONS IN PANAMA CITY, AGAIN INCLUDING BOTH COMMUNIST AND FREE-LABOR AFFILIATES BUT WITHOUT FORMAL PARTICIPATION OF ANY NATIONAL CONFEDERATION, ORGANIZED A CELEBRATION OF THE ANNIVERSARY OF THE 1972 LABOR CODE; SPEAKERS REFERRED TO NEED FOR FORMATION OF A "CENTRAL UNICA" TO PROTECT CODE. ON APRIL 7, COMMITTEE IN COLON CALLED FOR MEETING OF LABOR LEADERS FROM ALL PARTS OF COUNTRY TO CONSIDER CUTP; ATTENDANCE AT THIS MEETING WAS REPORTEDLY DISAPPOINTING BUT ONCE AGAIN THERE WAS SOME UNSANCTIONED PARTICIPATION BY A FEW FREE-LABOR AFFILIATES. DURING EARLY APRIL, PRESS ANNOUNCED FORMATION IN PANAMA CITY OF A "COMMITTEE FOR THE CUTP" WHICH HELD ITS FIRST FORMAL MEETING APRIL 9. THIS CONSISTS MOSTLY OF LOCAL UNIONS AFFILIATED WITH CNTP BUT INCLUDES UNSANCTIONED PARTICIPATION OF A FEW CTRP AFFILIATES AND SOME INDEPENDENT UNIONS.

3. ALSO ON APRIL 9, LABOR MINISTER CALLED MEETING OF NATIONAL LABOR COUNCIL (CONATO), WHICH INCLUDES ALL SECRETARIES GENERAL OF EXISTING NATIONAL CONFEDERATIONS TO DISCUSS PLANS FOR THIS YEAR'S MAY DAY CELEBRATION (SEE BELOW). AT THIS MEETING, MINISTER AHUMADA AGAIN TOLD CONFEDERATION HEADS THAT THEY SHOULD CONTINUE CONSIDERATION OF A CUTP AND OF HOW TO INTEGRATE THEMSELVES INTO IT. ONE LEADER OF CIT STATES HE WAS TOLD BY A LABOR MINISTRY OFFICIAL THAT CIT SHOULD PLAN ON END OF ITS INDEPENDENT EXISTENCE IN NEAR FUTURE TO MAKE WAY FOR CUTP. AT TWO-DAY MEETING OF TOP GOP OFFICIALS AND BUSINESS LEADERS AT RIO HATO APRIL 11-13 (PANAMA 2658), AHUMADA IS REPORTED TO HAVE TOLD BUSINESSMEN THAT GOP WOULD SEEK FORMATION OF A CUTP, WHICH WOULD REPLACE EXISTING CONFEDERATIONS (IN CONTRAST TO CONATO'S STATUS AS A LOOSE ASSOCIATION AMONG THEM) BY RETURNING TO BASE OF LOCAL UNIONS FOR ELECTION OF CUTP LEADERSHIP. AHUMADA IS REPORTED TO HAVE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PANAMA 02693 01 OF 02 201658Z

SAID THAT BOTH CNTP AND CTRP FAVORED SUCH A DEVELOPMENT. (COMMENT: CTRP SECRETARY GENERAL BUTCHER TOLD EMBASSY THAT, IF HE COULD VERIFY THAT AHUMADA HAD SAID THIS, CTRP WAS GOING TO HAVE THINGS OUT WITH MINISTER AS HE HAD THUS TOTALLY MISREPRESENTED CTRP POSITION. END COMMENT.)

4. IN ANOTHER POSSIBLY-RELATED DEVELOPMENT AHUMADA TOLD EMBOFFS APRIL 8 THAT GOP WOULD SHORTLY BE ANNOUNCING ESTABLISHMENT OF A

PERMANENT TRIPARTITE LABOR-MANAGEMENT ADVISORY BODY CHAired BY LABOR MINISTER. PURPOSE OF THIS BODY WOULD BE TO CONSIDER IMPLEMENTATION OF LABOR LEGISLATION, DISCUSS LABOR-MANAGEMENT RELATIONS PROBLEMS, AND TO REVIEW AND POSSIBLY CONSIDER REVISION OF LABOR CODE ITSELF. AHUMADA SAID HE WAS THEN CONSIDERING WHO FROM PRIVATE SECTOR AND FROM ORGANIZED LABOR MIGHT BE INVITED TO PARTICIPATE, BUT MADE IT CLEAR THAT AS PLANNED, THIS GROUP WOULD INCLUDE ONLY ONE REPRESENTATIVE OF EACH SECTOR--IN VIEW OF IMPORTANCE ATTACHED BY ORGANIZED LABOR TO LABOR CODE, IT IS DIFFICULT TO SEE HOW THIS MIGHT BE ACHIEVED UNDER PRESENT CIRCUMSTANCES WITHOUT ALIENATING TWO OF THE THREE MAJOR NATIONAL CONFEDERATIONS. AHUMADA INDICATED THAT THIS BODY'S CREATION WOULD BE ANNOUNCED DURING WEEK OF APRIL 12-16, AND EMBASSY HAD EXPECTED THAT IT WOULD BE ANNOUNCED AT MEETING AT RIO HATO WITH PRIVATE SECTOR. TO DATE, HOWEVER, THERE HAS BEEN NO PUBLIC ANNOUNCEMENT.

5. WHILE MOST PUBLIC ACTIVITY WITHIN LABOR SECTOR FAVORING THE CUTP HAS COME FROM UNIONS NOMINALLY AFFILIATED WITH COMMUNIST CNTP, UNIONS AND LEADERS INVOLVED ARE ALMOST EXCLUSIVELY THOSE KNOWN TO BE PART OF A DISSIDENT FACTION WITHIN CNTP WHICH HAS BEEN CONTESTING LEADERSHIP OF THE CENTRAL WITH CURRENT LEADERSHIP, WHICH IS DOMINATED BY PANAMA'S MOSCOW-LINE COMMUNIST PARTY (PDP); DETAILS ON THIS INCIPIENT RIFT WITHIN CNTP REF B. DISSIDENT LEADERS ARE REPUTED TO BE CLOSELY LINKED WITH "FRACCION" (OR NEW TENDENCY GROUP), A GENERALLY MARXIST AND PREDOMINANTLY YOUNG GROUP WHOSE MEMBERS WERE EXPELLED OR WITHDREW FROM PDP IN 1974. GOP NOW HAS A CONSIDERABLE DEGREE OF INFLUENCE IN THE "FRACCION"--MUCH MORE THAN IT HAS ON PDP ITSELF--AND THIS DISSIDENT LABOR GROUP IS SAID TO BE CONVINCED THAT IT IS ACTING IN ACCORDANCE WITH GOP WISHES IN AGITATING PUBLICLY FOR FORMATION OF CUTP. POSITION OF PDP ITSELF, AND OF CURRENT "ORGANIZATION" CNTP LEADERSHIP WHICH PDP CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PANAMA 02693 01 OF 02 201658Z

DOMINATES, ABOUT CUTP IS NOT CLEAR AT THIS TIME. IN DECEMBER (REF A), PDP WAS SAID TO BE DISTURBED BY IDEA OF CUTP OUT OF FEAR THAT IT WOULD BE DOMINATED BY GOP. WE HAVE NOT YET DETERMINED WHETHER PDP HAS CHANGED ITS STANCE, OF WHETHER THOSE WHO SAY THAT "COMMUNISTS" OR "CNTP" ARE SUPPORTING CUTP ARE IN FACT REFERRING ONLY TO THE DISSIDENT CNTP GROUP WHICH HAS LED THE PUBLIC AGITATION.

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PAGE 01 PANAMA 02693 02 OF 02 201701Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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C O N F I D E N T I A L SECTION 2 OF 2 PANAMA 2693/2

6. AT THEIR APRIL 9 MEETING, MEMBERS OF CONATO DECIDED THAT CONATO (RATHER THAN ONE OR ALL OF THE INDIVIDUAL CONFEDERATIONS) WOULD TAKE LEAD IN ORGANIZING CELEBRATIONS FOR MAY DAY THIS YEAR--AS REPORTED 75 PANAMA A-71, EACH OF THE CONFEDERATIONS HELD INDEPENDENT RALLIES IN 1975. PLANS CALL FOR RALLIES NOT ONLY IN PANAMA BUT IN COLON, DAVID AND OTHER CITIES IN INTERIOR, WITH ONE OF THE SECRETARIES GENERAL FROM CONATO TO BE PRINCIPAL SPEAKER AT EACH RALLY. CONATO COMMUNIQUE ANNOUNCING PLANS FOR CELEBRATION WAS PUBLISHED APRIL 12, BUT MADE NO REFERENCE AT ALL TO CUTP. CNTP PROMPTLY FOLLOWED WITH ONE OF ITS OWN SUPPORTING CONATO BUT ALSO SILENT ABOUT CUTP. CTRP SECRETARY GENERAL BUTCHER TOLD EMBOFF AFTER CONATO MEETING THAT WHILE HE AND CIT LEADER PINZON HOPED BY THEIR PARTICIPATION TO MODERATE STRIDENT IDEOLOGICAL TONE WHICH MIGHT EMERGE FROM CNTP--ORGANIZED MAY DAY RALLY, THEIR PRINCIPAL MOTIVATION FOR JOINING IN UNITED CONATO ACTIVITY WAS TO MUSTER AS LARGE A PUBLIC SHOW OF STRENGTH FOR THE EXISTING CONFEDERATIONS AS POSSIBLE, AND THEREBY TO HELP TO CONVINCE LABOR MINISTER AHUMADA OF THE UNWISDOM OF PRESSING FOR A CUTP WHICH WOULD SUPERCEDE THESE CONFEDERATIONS.

7. LEADERSHIP OF CTRP IS DISTURBED BY INDICATIONS THAT CUTP'S FORMATION MAY BE IMMINENT (EMBASSY HAS HAD ONE REPORT THAT AHUMADA MAY HAVE INTENDED TO ANNOUNCE FORMATION OF CUTP ON CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 02693 02 OF 02 201701Z

MAY DAY IF SUFFICIENT SUPPORT COULD BE MUSTERED, AND SIGNIFICANT OPPOSITION NULLIFIED, BEFORE THEN). LAST DECEMBER, AHUMADA TOLD

CONATO LEADERS THAT IF INTERNATIONAL AFFILIATIONS OF THE CONFEDERATIONS OR CONSTITUENT UNIONS WERE BARRIER TO FORMATION OF A CUTP, GOP WOULD FIND IT QUITE SIMPLE TO BAR SUCH AFFILIATIONS BY LAW AND THE WORST IT COULD EXPECT IN RESPONSE WAS ADVERSE RESOLUTION IN ILO. CTRP IS ASSUMING--AND WE SEE NO REASON TO DOUBT--THAT THIS REMAINS A VALID STATEMENT OF AHUMADA'S POLICY IF CUTP SHOULD BE FORMED. CTRP SECRETARY GENERAL BUTCHER IS SEEKING TO MEET PERSONALLY WITH TORRIJOS TO APPRISE HIM OF STRONG OBJECTIONS WITHIN LABOR MOVEMENT TO FORMATION OF CUTP, AND OF LIKELY ADVERSE INTERNATIONAL CONSEQUENCES FOR PANAMA IF GOP SHOULD PERSIST IN SUCH A COURSE. BUTCHER SAID HE DOUBTED THAT AFL-CIO WOULD TAKE KINDLY TO GOP IMPOSITION OF A GOVERNMENT-CONTROLLED LABOR CENTRAL ON THE FREE LABOR MOVEMENT IN PANAMA, AND THAT HE INTENDED TO TELL TORRIJOS AS MUCH AND WARN HIM THAT AFL-CIO REACTION, IF SUFFICIENTLY ADVERSE, MIGHT REACT ON RATIFICATION PROSPECTS IN US CONGRESS FOR NEW TREATY.

8. COMMENT: BASED ON FOREGOING INFORMATION, EMBASSY ASSESSMENT AT THIS TIME IS THAT GOP IS ACTIVELY ENCOURAGING AGITATION FOR CORMATION OF A CUTP, AND THAT IF GOVERNMENT CAN CONVINCE ITSELF THAT ITS POSITION IN LABOR MOVEMENT IS STRONG ENOUGH TO PULL THIS OFF, AND THAT INTERNATIONAL REACTIONS WOULD BE BEARABLE, GOP MAY TRY TO MOVE AFFIRMATIVELY TOWARD CUTP IN NEAR FUTURE. AT TIME OF LAST DECEMBER'S ROUND ON THIS ISSUE, ORIT SECRETARY GENERAL ETCHEVERRY CAME IN TO PANAMA TO LEND SUCH ASSISTANCE AS HE COULD. ETCHEVERRY TRANSITED PANAMA BRIEFLY ON SUNDAY, APRIL 18, AND BUTCHER AND AIFLD COUNTRY PROGRAM DIRECTOR MET WITH HIM AT AIRPORT AND DISCUSSED THIS AND OTHER ISSUES. HOWEVER, BUTCHER'S CURRENT OPINION IS THAT DIRECT INTERVENTION BY ORIT OR CRCA AT THIS TIME WOULD NOT HELP AND COULD BE FURTHER UNSETTLING FACTOR IN SITUATION. EMBASSY OFFICERS HAVE BEEN DISCREETLY TRYING TO POING OUT TO GOP OFFICIALS POSSIBLE ADVERSE CONSEQUENCES ON IMPOSED CUTP MIGHT HAVE ON US LABOR ATTITUDES TOWARD GOP. AIFLD CPD MOORE HAS ADVISED REGIONAL DIRECTOR WHEELER OF THIS SITUATION BY LETTER OF APRIL 12, AND SUGGESTED THAT WHEELER CONTACT DEPARTMENT FOR FURTHER DETAILS. EMBASSY REQUESTS THAT DEPARTMENT SHARE THIS TELEGRAM WITH WHEELER AND AIFLD. EMBASSY WILL ADVISE FURTHER
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PAGE 03 PANAMA 02693 02 OF 02 201701Z

AS SITUATION DEVELOPS HERE. END COMMENT.
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